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Vice President, Oahu Development

December 13, 2006

The Honorable Donovan Dela Cruz, Chairman
City Council, City and County of Honolulu
Honolulu Hale
Honolulu, Hawaii 96813

VIA FACSIMILE: 527.5733

RE: RELATING TO TRANSIT - BILL 86

Good morning and happy holidays Chairman Dela Cruz and members of the Council,

My name is Bob Bruhl, and I am the Vice President of Oahu Development, for D.R. Horton-Schuler Homes LLC. Schuler has a long history of being recognized as a kama'aina company and we are proud of our accomplishments as one of Hawaii's leading residential developers over the past four decades. I hope that you accept that it is from that perspective from which this letter is written, and I respectfully offer a few thoughts on the transit matters before you today. Generally, we are strongly in favor of transportation improvements for Oahu that will improve the quality of life for all of our residents.

Respectfully, we understand the important deliberation that has to take place over transit alternatives, selection and then implementation. We also appreciate the sizeable challenge for the City in ensuring that development in and around transit locations be pursued to their highest and best use so that the maximum possible return - ridership - is generated on the City's largest-ever investment. However, we would like to urge the Council to consider other means of achieving this end outside of those outlined in the current form of Bill 86. The bill as drafted introduces a far-reaching moratorium and will cease important projects from urban Honolulu to Ewa for an arbitrary period of time, without a clear cut methodology and full opportunity to vet the consequences. As drafted, we believe it would have drastic effects on the entire construction trade and building industry. This could not be the intention; we cannot see how an immediate stop to one of the island's primary economic drivers is positive for the State's fiscal health, its workers, its residents nor the companies investing in their futures here.

The point being that any proposed legislation suggesting a blanket stop to major current operations throughout the island's primary development and commercial corridor should not be passed without the full chance to consider the total impact. Please allow the time needed to work together to develop the mechanisms needed to achieve the City's goals with this proposed bill.

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The issues we see with Bill 86 are as far-reaching as its proposed moratorium. To name a few:

- Why "penalize" those within the transit-influence zone at the benefit of those who are not?
- How can the half-mile radius of the stops be established when stops aren't chosen?
- Would certain vested rights be impaired on those areas subject to the "controls?"
- What is the bill's full extent? In other words, how many development areas, developers, contractors, material suppliers, planners/engineers/other consultants, union employees and others will be affected over the control period?
- How many jobs will be lost or furloughed over the control period?
- What might the overall impact be on home pricing when factoring in the supply loss over the control period, and how might that exacerbate the current affordable housing problem on the island? **We currently have a community under construction in the City of Kapolei, Mehana, that could include hundreds of affordable homes and it would be halted.**
- **What is the potential impact on UHWO?**

As a suggestion we encourage the Council to work with the Administration and the Department of Permitting and Planning to amend this bill so that time is allowed to set the proper controls. Alternatives to Bill 86 could be considered in time that modify the general nature of the language to specific objectives, or introduce incentives to achieve those objectives, to "raise the stakes" so that what is developed delivers on the promise of the plans and goals the City has for transit.

Thank you for allowing us to share our views with you this afternoon. Aloha.

A handwritten signature in black ink, appearing to be 'A. Horton', written in a cursive style.